

4 May 2020

The Manager
Company Announcements Office
ASX Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

Market Update – Progress Report

We are pleased to provide an update to the recent Announcement of 15 April 2020. Our MEMS vendor was able to deliver a 2nd wafer that incorporated design changes to the MEMS structure and its manufacturing process. We are pleased to inform that electromechanical and acoustic testing confirmed comparable results to the testing conducted on the initial lead wafer.

As informed in the aforementioned announcement, the wafers were submitted for metrological inspection which revealed the presence of residue on the surfaces of the structure. The vendor has been informed of the findings and has already begun fine-tuning the final fabrication processes as to eliminate the residue. The company has been advised that delivery of wafers intended for statistical verification will commence in roughly two weeks.

Simultaneously the Company in close collaboration with our European based vendors has been able to work through their COVID-19 related restrictions in order to advance both die singulation and its assembly and packaging. These activities will enable the company to rapidly progress from wafer form to individual dies (chips). The transition to individual chips will further allow the company to conduct testing outside the “noisy” cleanroom in test environments that are far more conducive to acoustic testing.

This announcement has been authorized for release to ASX by Fred Bart, Chairman

Sincerely,
Fred Bart



About Audio Pixels Holdings Limited

Audio Pixels Limited, founded in 2006, is a wholly owned subsidiary of Audio Pixels Holdings Limited, listed in Australia under the stock code of AKP (Level 1 ADR's on OTC: ADPXY). Backed by exceptional multidisciplinary scientific research, design, and production capabilities, Audio Pixels has become a world leader in digital loudspeaker technologies. Audio Pixels' patented technologies employ entirely new techniques to generate sound waves directly from a digital audio stream using micro-electromechanical structures (MEMS). Its revolutionary technological platform for reproducing sound enables the production of an entirely new generation of speakers that will exceed the performance specifications and design demands of the world's top consumer electronics manufacturers. For more information, visit www.audiopixels.com.au/.

Forward-looking statements

This release may contain certain forward-looking statements with respect to the financial condition, results of operations and business of AKP and certain of the plans and objectives of AKP with respect to these items. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future and there are many factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements.

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